

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.05)

Unit Name* ALMER TOWNSHIP	County* TUSCOLA	Type* OTHER	MuniCode* 79-1-020
Opinion Date-Use Calendar* Aug 14, 2008	Audit Submitted-Use Calendar* Aug 22, 2008	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit distributed tax revenues that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin)?
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/> ?	18. Are there reported deficiencies?
	19. If so, was it attached to the audit report?

General Fund Revenue:	? \$ 513,038.00
General Fund Expenditure:	? \$ 458,279.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	? \$ 170,898.00
Governmental Activities Long-Term Debt (see instructions):	? \$ 154,408.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* GARY	Last Name* ANDERSON	Ten Digit License Number* 1101005446		
CPA Street Address* 715 E. FRANK ST.	City* CARO	State* MI	Zip Code* 48723	Telephone* +1 (989) 673-3137
CPA Firm Name* ANDERSON, TUCKEY, BERNARD	Unit's Street Address* 2866 N. UNIONVILLE RD	Unit's City* AKRON	Unit's Zip* 48701	

TOWNSHIP OF ALMER,
TUSCOLA COUNTY
Caro, Michigan

Report on Financial Statements
(with additional information)
Year Ended March 31, 2008

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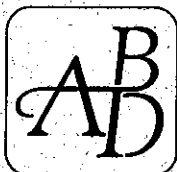
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ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants

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Jerry J. Bernhardt, CPA
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Timothy Franzel

Robert L. Tuckey, CPA

August 14, 2008

INDEPENDENT AUDITORS' REPORT

Township of Almer
Tuscola County
Caro, Michigan 48723

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Almer as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Township of Almer management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Almer as of March 31, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Township has implemented a new financial reporting model as required by the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments as of June 30, 2003.

The management's discussion and analysis budgetary comparison information on pages i through vii and 22 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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Township of Almer
August 14, 2008

Our audit conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township of Almer's basic financial statements. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Almer Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF ALMER, TUSCOLA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2008

As management of the Township of Almer, we offer readers of the Township of Almer financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2008.

This reporting model was adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management Discussion and Analysis (MD&A) – for State and Local Governments issued in June of 2000. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the district has elected to exclude the comparative information.

FINANCIAL HIGHLIGHTS

- The Township's governmental activities assets exceeded its liabilities at the close of the most recent fiscal year by \$206,169 (net assets). Of this amount, \$22,754 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Township's business-type activities assets exceeded its liabilities at the close of the most recent fiscal year by \$57,582. Of this amount, \$57,582 (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The Township's governmental activities total net assets increased by \$17,979.
- The Township's business-type activities total net assets decreased by \$136,960.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$177,162, an increase of \$39,198 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$170,898, or 42 percent of total general fund expenditures.

OVERVIEW OF THE FIANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary and additional information in addition to the basic financial statements themselves.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2008

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent personal property taxes).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes, special assessments and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, health and welfare, community and economic development, culture and recreational, and other functions.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2008

The Township maintains several individual governmental funds. Information is presented separately in governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund in the required supplementary information and for the special revenue funds in additional information to demonstrate compliance with budgets.

The basic governmental fund financial statements can be found on pages 3 through 6 of this report.

Business –Type Activities. The Township's business-type activities consist of the Sewer Fund. The Sewer fund is used to account for sewer services provided to residents of the Township.

The proprietary fund financial statements can be found on pages 7-9 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 10 of this report.

Notes to the financial statements. The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11 through 21 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's general fund and revenue budget. Required supplementary information can be found on page 22 of this report.

Combining and individual fund statements and schedules can be found on pages 23 through 27 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Township, assets exceeded liabilities by \$206,169 at the close of the most recent fiscal year.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2008

A portion of the Township's assets (42 percent) reflects its investment in capital assets (e.g., land, building, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Township of Almer's Net Assets			
	Governmental Activities	Business-Type Activities	Total
	March 31, 2008	March 31, 2008	March 31, 2008
Current and other assets	\$ 251,253	\$ 151,023	\$ 402,276
Capital assets	183,415		183,415
Total assets	<u>\$ 434,668</u>	<u>\$ 151,023</u>	<u>\$ 585,691</u>
Current liabilities	\$ 104,239	\$ 18,981	\$ 123,220
Noncurrent portion of long-term debt	\$ 124,260	74,460	\$ 198,720
Total liabilities	\$ 228,499	\$ 93,441	\$ 321,940
Net assets:			
Invested in capital assets	183,415		183,415
Unrestricted	22,754	57,582	80,336
Total net assets	<u>206,169</u>	<u>57,582</u>	<u>263,751</u>
Total liabilities and net assets	<u>\$ 434,668</u>	<u>\$ 151,023</u>	<u>\$ 585,691</u>

Governmental activities. Governmental activities increased the Township's net assets by approximately \$17,979. Business-type activities decreased the Township's net assets by \$136,960. Key elements of these changes are as follows:

TOWNSHIP OF ALMER, TUSCOLA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2008

Township of Almer's Changes in Net Assets			
	Governmental Activities	Business-Type Activities	Total
	March 31, 2008	March 31, 2008	March 31, 2008
Revenues:			
Program revenues:			
Charges for services	\$ 17,900	\$ 11,241	\$ 29,141
General revenues:			0
Property Taxes:			0
Levied for general purposes	201,195		201,195
Fire and ambulance levy			0
State sources	156,589		156,589
Cable franchise fee			0
Investment earnings	3,250	9,360	12,610
Other	143,539		143,539
Total revenues	\$ 522,473	\$ 20,601	\$ 543,074
Expenses:			
General government	\$ 171,588		\$ 171,588
Public safety	30,720		30,720
Road Maintenance	79,520		79,520
Health and welfare	182,292		182,292
Community and economic development			0
Cultural and recreational	24,996		24,996
Other functions	15,378	\$ 17,969	33,347
Total expenses	\$ 504,494	\$ 17,969	\$ 522,463
Increase in net assets	17,979	2,632	20,611
Net transfers		(139,592)	(139,592)
Net assets, beginning of year	188,190	194,542	382,732
Net assets, end of year	\$ 206,169	\$ 57,582	\$ 263,751

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2008

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balance of \$177,162, an increase of \$39,198 in comparison with the prior year.

The fund balance of the Township's general fund increased by \$35,459 during the current fiscal year.

General Fund Budgetary Highlights

The final amended budget was changed from the original budget, and the significant fluctuations can be summarized as follows:

- \$10,644 increase in Other Revenue
- \$6,500 increase in Legislative Expenditures
- \$26,531 decrease in Highways, Streets & Bridges
- \$17,475 increase in Sanitation Expenditures
- \$9,700 increase in Other Expenses

The main reason for the changes resulted from reallocating expenses across the different governmental activities. During the year, budgetary estimates for expenditures were more than actually incurred.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental and business type activities as of March 31, 2008 amounts to \$183,415 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and office equipment and furniture.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2008

Major capital asset events during the current fiscal year included the following:

Township of Almer's Capital Assets
(net of depreciation)

	<u>Governmental activities</u> <u>March 31, 2008</u>
Land	\$ 140,001
Buildings	11,174
Land and building improvements	17,161
Machinery and equipment	15,079
Office equipment and furniture	-
	<u>\$ 183,415</u>

Additional information on the Township's capital assets can be found in Note 5 on pages 18 & 19 of this report.

Economic Factors and Next Year's Budgets and Rates

The Township of Almer's goal is to continually look for the most efficient and effective methods to maintain and enhance the services that are provided to the public. The Township has a conservative and financially prudent budget for the fiscal year 2009 that also promotes and funds numerous project objectives.

Request for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Township office at 1405 West Dutcher Rd., Caro, MI 48723.

Basic Financial Statements

TOWNSHIP OF ALMER, TUSCOLA COUNTY
STATEMENT OF NET ASSETS
March 31, 2008

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 16,370	\$ 130,588	\$ 146,958
Fire runs receivable	2,456		2,456
Taxes receivable	232,427		232,427
Accounts receivable		8,167	8,167
Prepaid expenses		12,126	12,126
Due from other funds		142	142
Total Current Assets	<u>251,253</u>	<u>151,023</u>	<u>402,276</u>
Noncurrent Assets:			
Land	140,001		140,001
Capital assets, net of depreciation	<u>43,414</u>		<u>43,414</u>
Total Non-Current Assets	<u>183,415</u>	<u>-</u>	<u>183,415</u>
TOTAL ASSETS	<u>\$ 434,668</u>	<u>\$ 151,023</u>	<u>\$ 585,691</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable		\$ 1	\$ 1
Accrued payroll taxes	\$ 909		909
Due to other governmental units	6,470		6,470
Deferred revenue	66,712		66,712
Payable from restricted assets:			-
Revenue bonds payable - current		18,980	18,980
Current portion of long-term debt	<u>30,148</u>		<u>30,148</u>
Total Current Liabilities	<u>104,239</u>	<u>18,981</u>	<u>123,220</u>
Noncurrent Liabilities			
Noncurrent portion of long-term debt	<u>124,260</u>	<u>74,460</u>	<u>198,720</u>
TOTAL LIABILITIES	<u>228,499</u>	<u>93,441</u>	<u>321,940</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	183,415		183,415
Unrestricted	<u>22,754</u>	<u>57,582</u>	<u>80,336</u>
TOTAL NET ASSETS	<u>206,169</u>	<u>57,582</u>	<u>263,751</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 434,668</u>	<u>\$ 151,023</u>	<u>\$ 585,691</u>

The accompanying footnotes are an integral part of the financial statements.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2008

Functions/Programs	Program Revenues			Net (Expenses) Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
Primary Government						
Governmental activities:						
General government	\$ 171,588	-			\$ (171,588)	- \$ (171,588)
Road maintenance and repair	79,520				(79,520)	- (79,520)
Health and sanitation	182,292				(182,292)	- (182,292)
Public safety	30,720				(30,720)	- (30,720)
Public works		\$ 9,000			9,000	- 9,000
Culture and recreation	24,996	8,900			(16,096)	- (16,096)
Depreciation	6,243				(6,243)	- (6,243)
Interest on long-term debt	9,135				(9,135)	- (9,135)
Total governmental activities	504,494	17,900	-	-	(486,594)	- (486,594)
Business-type activities:						
Sewage disposal	17,969	11,241				\$ (6,728) (6,728)
Total primary government	<u>\$ 522,463</u>	<u>\$ 29,141</u>	<u>-</u>	<u>\$ -</u>	<u>(486,594)</u>	<u>(6,728) (493,322)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes						
					201,195	201,195
Intergovernmental revenue					156,589	156,589
Investment earnings					3,250	9,360 12,610
Miscellaneous					143,539	143,539
Total general revenues					504,573	9,360 513,933
Change in net assets					17,979	2,632 20,611
Net transfers to Village of Caro						(139,592) (139,592)
Net assets - beginning					188,190	194,542 382,732
Net assets - ending					\$ 206,169	\$ 57,582 \$ 263,751

The accompanying footnotes are an integral part of the financial statements.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2008

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL (CEMETERY)</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>			
Cash	\$ 10,106	\$ 6,264	\$ 16,370
Fire runs receivable	2,456		2,456
Due from other funds	<u>232,427</u>		<u>232,427</u>
TOTAL ASSETS	<u>\$ 244,989</u>	<u>\$ 6,264</u>	<u>\$ 251,253</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accrued payroll taxes	\$ 909		\$ 909
Due to other governmental units	6,470		6,470
Deferred revenue	<u>66,712</u>		<u>66,712</u>
TOTAL LIABILITIES	<u>74,091</u>		<u>74,091</u>
 FUND EQUITY:			
Fund Balance - undesignated	<u>170,898</u>	\$ 6,264	<u>177,162</u>
TOTAL FUND BALANCE	<u>170,898</u>	<u>6,264</u>	<u>177,162</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 244,989</u>	<u>\$ 6,264</u>	<u>\$ 251,253</u>

The accompanying footnotes are an integral part of the financial statements.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
March 31, 2008

	Modified Accrual Basis	Reconciling Items	Full Accrual Basis
	TOTAL GOVERNMENTAL FUNDS	CAPITAL ASSETS & LONG TERM DEBT	TOTAL
<u>ASSETS</u>			
Cash	\$ 16,370		\$ 16,370
Fire runs receivable	2,456		2,456
Due from other funds	232,427		232,427
Capital assets:			-
Land		\$ 140,001	140,001
Depreciable assets		137,082	137,082
Accumulated depreciation		(93,668)	(93,668)
TOTAL ASSETS	<u>\$ 251,253</u>	<u>\$ 183,415</u>	<u>\$ 434,668</u>
<u>LIABILITIES AND FUND EQUITY/NET ASSETS</u>			
Liabilities:			
Accrued payroll taxes	\$ 909		\$ 909
Due to other governmental units	6,470		6,470
Deferred revenue	66,712		66,712
Long-term debt		129,408	129,408
TOTAL LIABILITIES	<u>74,091</u>	<u>129,408</u>	<u>203,499</u>
FUND EQUITY/NET ASSETS:			
Fund Balance - unrestricted	177,162	54,007	231,169
Net Assets - unrestricted			-
TOTAL FUND EQUITY/NET ASSETS	<u>177,162</u>	<u>54,007</u>	<u>231,169</u>
TOTAL LIABILITIES & FUND EQUITY/NET ASSETS	<u>\$ 251,253</u>	<u>\$ 183,415</u>	<u>\$ 434,668</u>

The accompanying footnotes are an integral part of the financial statements.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008

	<u>GENERAL</u>	<u>OTHER NONMAJOR (CEMETERY)</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUE:			
Taxes	\$ 201,195		\$ 201,195
Licenses & permits	-		-
Intergovernmental revenue	156,589		156,589
Other revenue	143,004	\$ 535	143,539
Rents & royalties	3,250		3,250
Charges for services	9,000		9,000
Cemetery receipts		8,900	8,900
	<u>513,038</u>	<u>9,435</u>	<u>522,473</u>
TOTAL REVENUE			
EXPENDITURES:			
Legislative	22,104		22,104
Executive	12,298		12,298
Elections	1,870		1,870
Clerk	12,816		12,816
Board of Review	1,405		1,405
Assessor	22,321		22,321
Treasurer	25,243		25,243
Township hall & grounds	21,088		21,088
Zoning board	7,651		7,651
Public safety	30,720		30,720
Highways, streets, & bridges	79,520		79,520
Sanitation	105,543		105,543
Cemetery operation		24,996	24,996
Drain-at-large interest	9,135		9,135
Other expenditures	51,972		51,972
	<u>403,686</u>	<u>24,996</u>	<u>428,682</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>109,352</u>	<u>(15,561)</u>	<u>93,791</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	19,300	19,300
Operating transfers out	(19,300)	-	(19,300)
Drain-at-large - principal	(54,593)		(54,593)
	<u>(73,893)</u>	<u>19,300</u>	<u>(54,593)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>35,459</u>	<u>3,739</u>	<u>39,198</u>
FUND BALANCE - BEGINNING OF YEAR	<u>135,439</u>	<u>2,524</u>	<u>137,963</u>
FUND BALANCE - END OF YEAR	<u>\$ 170,898</u>	<u>\$ 6,264</u>	<u>\$ 177,162</u>

The accompanying footnotes are an integral part of the financial statements.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008

Net change in fund balance - total governmental funds	\$ 39,198
---	-----------

Amounts reported for governmental activities in the Statement
of Activities are different because:

Governmental funds report capital outlays as expenditures. However,
in the Statement of Activities, the cost of these assets is allocated
over their useful lives as depreciation expense.

Depreciation expense	(6,243)
Capital outlay	7,180

New county drain-at-large obligation	(76,749)
--------------------------------------	----------

The repayment of the principal of long-term debt consumes current
financial resources of governmental funds, but does not have any affect
on net assets.

Principal payments on drain-at-large	<u>54,593</u>
--------------------------------------	---------------

Change in net assets of governmental activities	<u><u>\$ 17,979</u></u>
---	-------------------------

-

The accompanying footnotes are an integral part of the financial statements.

PROPRIETARY FUND TYPES

\$ 130,588
8,167
12,126
142

\$ 151,023

\$ 1

93,440

Notes payable - long-term

93,441

57,582

57,582

\$ 151,023

7

TOWNSHIP OF ALMER, TUSCOLA COUNTY
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN FUND NETS ASSETS
PROPRIETARY FUND
YEAR ENDED MARCH 31, 2008

	<u>ENTERPRISE (SEWER)</u>
OPERATING REVENUE:	
Water & sewer system sales	\$ 11,241
OPERATING EXPENSES:	
Operating & maintenance	1,666
Depreciation & amortization expense	8,215
Administration Fee	<u>4,000</u>
TOTAL OPERATING EXPENSES	<u>13,881</u>
OPERATING INCOME (LOSS)	<u>(2,640)</u>
NON-OPERATING REVENUE (EXPENSES):	
Interest earned	9,360
Interest expense	<u>(4,088)</u>
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>5,272</u>
CHANGE IN NET ASSETS	2,632
TRANSFERS TO THE VILLAGE OF CARO	(139,592)
TOTAL NET ASSETS - APRIL 1	<u>194,542</u>
TOTAL NET ASSETS - MARCH 31	<u><u>\$ 57,582</u></u>

The accompanying footnotes are an integral part of the financial statements.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED MARCH 31, 2008

	ENTERPRISE (SEWER)
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 13,001
Cash paid to suppliers	(6,961)
Interest received	9,360
Interest paid	(4,086)
Administration Fees	(4,000)
	<hr/>
Net cash provided by operating activities	7,314
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Payment on revenue bonds	(19,710)
Increase in prepaid expense	277
Transfer to other governmental units	(50,000)
	<hr/>
Net cash provided by (used in) financing activities	(69,433)
	<hr/>
INCREASE (DECREASE) IN CASH	(62,119)
	<hr/>
CASH AT BEGINNING OF YEAR	192,707
	<hr/>
CASH AT END OF YEAR	<u><u>\$ 130,588</u></u>
	<hr/>
Reconciliation of Net Income to Net Cash Provided by Operating Activities:	
Net Income (loss)	\$ 2,632
Adjustment to reconcile net income to net cash provided by operating activities:	
Depreciation & Amortization	8,215
(Increase) decrease in:	
Accounts receivable	1,752
Due from Current Tax Collection Fund	10
Accounts Payable	(5,295)
	<hr/>
Net cash provided by operating activities	<u><u>\$ 7,314</u></u>
	<hr/>

Disclosure of Accounting Policy: For purposes of reporting cash flows, cash and cash equivalents includes cash on hand, demand deposits in bank and balances of certificates of deposit.

The accompanying footnotes are an integral part of the financial statements.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
March 31, 2008

	BALANCE MARCH 31, 2008
<u>ASSETS</u>	
Cash	\$ 199,338
Taxes receivable	<u>206,091</u>
TOTAL ASSETS	<u>\$ 405,429</u>
 <u>LIABILITIES</u>	
Due to general fund	\$ 232,427
Due to sewer fund	142
Due to other governmental agencies	<u>172,860</u>
TOTAL LIABILITIES	<u>\$ 405,429</u>

See the accompanying notes.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF TOWNSHIP OPERATIONS AND FUND TYPES:

The Township covers an area of approximately 36 square miles within Tuscola County. The township operates under an elected Board and provides services to its more than 2,700 residents in many areas including law enforcement, administration of justice, community enrichment, development and human services. At the Township Board meeting held May 13, 2003, the Township Board approved a resolution to change from a general law township to a charter township.

The financial statements of the Township of Almer have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units except for the Township not adopting the GASB #34 reporting format. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. ADOPTION OF NEW ACCOUNTING STANDARDS:

During the fiscal period 2003, the Township adopted GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issue June 1999; GASB Statement 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments Omnibus, an amendment to GASB Statement No 21 and No. 34, issued June 2001, and in GASB Statement No. 38, Certain Financial Statement Note Disclosures, issued in 2001. These statements require the Township to prepare a Management's Discussion and Analysis, government-wide financial statements on an accrual basis, and make some changes to the footnotes.

The following table shows beginning net assets related for the effects of implementation of GASB Statement No. 34:

Fund balance at March 31, 2007 – governmental funds	\$137,963
Drains at large debt	(132,251)
Net capital assets (restated)	<u>182,478</u>
Restated net assets – April 1, 2007	<u>\$188,190</u>

B. REPORTING ENTITY:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision whether to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Based upon the application of these criteria, the financial statements of the Township of Almer, Tuscola County include the accounts of all Township operations. The Township's major operations include planning and zoning, road maintenance, street lighting, cemetery, paramedic services, cultural and recreational services and general administrative services. The Township has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Township.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes, special assessments and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, are recorded only when payment is due.

Franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current periods. All other revenue items are considered to be measurable and available only when cash is received by the government.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION, (Continued):

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

The government reports the following non-major funds:

The Cemetery Fund is used to account for perpetual care of the Township's cemetery.

The government reports the following proprietary funds:

The Sewer Fund is used to account for sewer services to the residents of the Township. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, and related debt service.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments and the public safety millage. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, the unrestricted resources, as they are needed.

E. ASSETS, LIABILITIES AND NET ASSETS:

1. Cash and Investments

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value. The Township's deposits and investments are in accordance with statutory authority.

State statutes authorize the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 50% of any fund at any time. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

E. ASSETS, LIABILITIES AND NET ASSETS, (Continued):

2. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

3. Receivables

Receivables consist primarily of amounts for taxes and customer charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls which are secured by the underlying property.

4. Restricted Assets

Certain proceeds of enterprise fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants and Michigan law.

5. Capital Assets

Capital assets, which include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year, no interest expense was capitalized as part of the cost of assets under construction.

Property, plant, and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40-60 years
Office Equipment	5-7 years
Computer Equipment	3-7 years

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

E. ASSETS, LIABILITIES AND NET ASSETS, (Continued):

6. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Contributed capital currently exists only in the enterprise funds. This capital has been used along with other township resources to purchase or construct the water and sewer systems currently in use within the Township. In order to more accurately reflect the equity remaining in these contributions, the contributions are being amortized over the useful life of the assets they aided in constructing or purchasing.

7. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

8. Deferred Revenue

The General Fund collects a special assessment levy for refuse collection. The levy covers a period from December 1 through November 30. That portion of the levy applicable to the period from April 1 through November 30 is recorded as deferred revenue.

The Sewer Fund assessed several parcels of property for the cost of sewer line construction and connections to be repaid over a period not to exceed fifteen years. The portion of the assessments not due within twelve months is recorded as deferred revenue.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 2 – LEGAL COMPLIANCE – BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds. Encumbrance accounting is employed in governmental funds. Significant encumbrances outstanding at year-end, if any, are reported as reservations of fund balances because they will be re-appropriated in the subsequent fiscal year.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or prior to March 31 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

NOTE 3 - TUSCOLA COUNTY SANITARY SEWER SYSTEM:

On May 8, 1984 the Township entered into a contract with the Village of Caro and Indianfields Township for the acquisition, improvement, enlargement and extension of the local sanitary sewer system. The 20% local share of construction costs has been financed by the issuance of County Revenue Bonds. Almer Township's portion of the local share is \$ 325,000. The original bonds were refinanced in 1992 and again in October 2002.

During 2002, Tuscola County advance refunded its outstanding Tuscola County Sanitary Sewer System (Caro Area) Bonds, dated May 1, 1992. The County issued \$1,240,000 general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$222,866 and obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$65,140. Almer Townships share of the bond is 14.6%.

The Township expects to repay its share plus interest at rates from 2.5% to 3.7%, as well as operate and maintain the system, by charging an initial connection fee and monthly fees to users of the system. At special meetings held in October 2005 and February 2006, the Township Board approved proceeding with the initial stages of the Sewer System Update Project.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 3 - TUSCOLA COUNTY SANITARY SEWER SYSTEM, (Continued):

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT

MARCH 31, 2008
(PRINCIPAL ONLY)
Year Ending March 31,

2009	\$18,980
2010	18,980
2011	18,250
2012	17,520
2013	<u>19,710</u>
 TOTAL	 <u>\$93,440</u>

On November 22, 2006, Almer Township and the Village of Caro entered into an agreement to transfer full ownership, management, operation, control and maintenance of the Treatment Plant and System to the Village of Caro. The Village of Caro will enter into contracts with Tuscola County to construct improvements to the Treatment Plant of an estimated cost of \$7,700,000. In return, the Township has the right to use 8.3% of the capacity of the Treatment Plant and System. The Township will be responsible for its respective share of the outstanding 2002 bonds. The transfer of ownership and control is expected to be completed during the 2007-2008 fiscal year. Per the agreement, \$50,000 will be deposited into a maintenance reserve fund for the System to be held by the Village. The Village will be responsible for billing and collecting from the Township customers. If the customer fails to pay within thirty days, the Township will become liable to the Village. The Township has agreed to install water meters on all sewer customers at the Townships' expense.

NOTE 4 - CASH AND INVESTMENTS:

Cash and investments are held separately by each of the Township's funds and are invested in several local banks in accordance with Michigan Compiled Laws, Section 129.91.

DEPOSITS:

At year-end, the carrying amount of the Township's deposits was \$346,296 and the bank balance was \$347,838, \$132,383 of which was covered by federal depository insurance.

INVESTMENTS:

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counterpart's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counter-party, or by its trust department or its agent but not in the Township's name. At March 31, 2008, the Township had no Category 1, 2, or 3 investments. Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 4 - CASH AND INVESTMENTS, (Continued):

The Township's cash, cash equivalents, investments and restricted assets at March 31, 2008 are composed of the following:

	<u>CASH AND CASH EQUIVALENTS</u>	<u>INVESTMENTS</u>
General Fund Deposits	\$ 10,106	NONE
Other Funds Deposits		
Cemetery Fund	6,263	NONE
Sewer Fund	30,588	NONE
Current Tax Collection Fund	<u>199,339</u>	<u>NONE</u>
 TOTAL	 <u>\$346,296</u>	 <u>NONE</u>

NOTE 5 - CAPITAL ASSETS:

A summary of changes in general fixed assets follows:

	<u>BALANCE MARCH 31, 2007</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE MARCH 31, 2008</u>
Land	\$140,001			\$140,001
Buildings	42,751			42,751
Machinery & equipment	49,285	\$7,180		56,465
Leasehold improvements	37,561			67,747
Furniture and fixtures	<u>305</u>	<u> </u>	<u>\$0</u>	<u>305</u>
 Total Cost	 269,903	 7,180	 0	 277,083
 Accumulated Depreciation	 <u>(87,425)</u>	 <u>(6,243)</u>	 <u>-</u>	 <u>(93,668)</u>
 Net Value	 <u>\$182,478</u>	 <u>\$ 937</u>	 <u>\$0</u>	 <u>\$183,415</u>

Depreciation expense for the year ended March 31, 2008 amounted to \$6,243.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT:

A summary of the Sewer Fund property, plant and equipment that are stated at cost as of March 31, 2008 follows:

	<u>BALANCE</u> <u>MARCH 31,</u> <u>2007</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>MARCH 31,</u> <u>2008</u>
Sewer lines	\$ 377,760		\$ 377,760	\$0
Building & equipment	1,171,070		1,171,070	0
Construction in Progress	<u>32,876</u>	<u>\$0</u>	<u>32,876</u>	<u>0</u>
Total cost	1,581,706		1,581,706	0
Less accumulated depreciation	<u>(617,814)</u>	<u>0</u>	<u>617,814</u>	<u>(0)</u>
Net carrying amount	<u>\$ 963,892</u>	<u>\$0</u>	<u>\$ 963,892</u>	<u>\$0</u>

Depreciation is calculated using the straight-line method over a 50-year life. Depreciation expense for the year ended March 31, 2008 amounted to \$7,744.

NOTE 7 - PENSION PLAN - DEFINED CONTRIBUTION PLAN:

PLAN DESCRIPTION:

The township has instituted a defined contribution pension plan covering all elected officials who choose to belong to the plan. The plan has been adopted under the provisions of 401(a) of the Internal Revenue Code.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on the investments of those contributions, and forfeitures of other participants benefits that may be allocated to such participant's account. The plan requires the employer to contribute fifteen percent of the participating employee's gross wages, with immediate vesting. In addition, past service employer contributions at 3% of current annual compensation for each eligible year of past service (10 year max.) to be funded over three years are required. During the most recent plan year, the township's required and actual contribution amounted to \$7,009, which was 15% of its current year covered payroll of \$46,346. The plan is funded through John Hancock Company and had the following activity during the period ending March 31, 2007. The assets of the fund belong to the covered employees and are not assets of the Township.

Balance –March 31, 2007	\$65,421
Contributions – April 1, 2007 to March 31, 2008	7,009
Earnings (Losses), less Administrative expense	<u>(1,754)</u>
Balance – March 31, 2008	<u>\$70,676</u>

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 8 - DUE TO AND FROM OTHER FUNDS:

Due to and from other funds balances at March 31, 2008 are as follows:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
General Fund	\$232,427	-
Trust and agency:		
Current Tax Collection Fund		\$232,569
Sewer Fund	<u>142</u>	<u> </u>
TOTAL	<u>\$232,569</u>	<u>\$232,569</u>

NOTE 9 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of July 1 and December 1. Taxes are levied on July 1 and December 1 and are due in September and February. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year that includes the December 1 levy date.

NOTE 10 – RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above-described activities. For insured programs, there has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 11 – GENERAL LONG TERM DEBT/SPECIAL ASSESSMENT:

The Tuscola County Drain Commissioner assessed Almer Township \$225,513 as a Drain-At-Large assessment for the State and Colling Drain. The assessment was to be repaid from 2000 through 2009, which would have included interest of \$34,215. The township paid \$100,000 as an extra principal payment during the year-ended March 31, 2001 towards the project, which will reduce the interest paid over the remaining assessment period. An additional assessment was made for the Sebewaing River IC and in 2006 another assessment was made for the Bach & Branches. In 2007 an additional assessment was made for the Streeter Drain.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 12 – GENERAL LONG TERM DEBT/SPECIAL ASSESMENT, (Continued):

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT
MARCH 31, 2008
(PRINCIPAL ONLY)

YEAR ENDING MARCH 31,	STATE & COLLING GENERAL OBLIGATION	STREETER DRAIN GENERAL OBLIGATION	BACH & BRANCHES GENERAL OBLIGATION	TOTAL
2009	\$12,499	\$ 5,750	\$ 7,570	\$ 25,819
2010	12,499	5,750	7,570	25,819
2011		5,750	7,570	13,320
2012		5,750	7,570	13,320
2013		5,750	7,570	13,320
2014		5,750	7,570	13,320
2015		5,750	7,570	13,320
2016		5,750	7,570	13,320
2017			7,570	7,570
2018			7,570	7,570
2019			7,570	7,570
2020			140	140
TOTAL	<u>\$24,998</u>	<u>\$46,000</u>	<u>\$83,410</u>	<u>\$154,408</u>

NOTE 13- TRANSFERS TO AND TRANSFERS FROM:

The General Fund transferred \$19,300 to the Cemetery Fund during the current fiscal year for operating purposes.

Transfer to Cemetery Fund	\$ 19,300
Transfer From General Fund	<u>(19,300)</u>
Net Transfers	<u>\$ 0</u>

NOTE 14 – PREPAID EXPENSES:

A summary of the prepaid expenses (net of amortization) of the proprietary fund type is as follows:

	BALANCE MARCH 31, 2007	ADDITIONS	REDUCTIONS	BALANCE MARCH 31, 2008
Bond discount – net	\$ 1,665		\$277	\$ 1,388
Loan closing costs – net	<u>11,210</u>	<u>—</u>	<u>472</u>	<u>10,738</u>
Total prepaid expenses	<u>\$12,875</u>	<u>\$0</u>	<u>\$749</u>	<u>\$12,126</u>

Amortization of the loan closing costs is over the life of the underlying debt. Amortization and interest on bond discount expense for the year ended March 31, 2008 amounted to \$472 and \$277, respectively.

NOTE 15 – VILLAGE OF CARO STATUS OF INCORPORATION PROCESS:

Almer Township lies within the Village of Caro. The Village is currently considering becoming a city. In regard to this issue the Township's attorney states "While it is not a litigation matter, there are financial and legal issues involved in the efforts by the Village of Caro to become a city. Incorporation will cost the Township a significant portion of its assessed value. The State Boundary Commission gave approval to the incorporation, and a referendum ratified the decision to proceed. Any incorporation could not be given final approval until at least 2009."

Required Supplementary Information

TOWNSHIP OF ALMER, TUSCOLA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	BUDGET			VARIANCE- FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
REVENUE:				
Taxes	\$ 196,500	\$ 196,500	\$ 201,195	\$ 4,695
Licenses & permits	1,000	1,000	0	(1,000)
Intergovernmental revenue	156,000	156,000	156,589	589
Other revenue	197,700	208,344	152,004	(56,340)
Rents & royalties	2,000	2,000	3,250	1,250
TOTAL REVENUE	553,200	563,844	513,038	(50,806)
EXPENDITURES:				
Legislative	19,800	26,300	22,104	4,196
Executive	12,800	13,800	12,298	1,502
Elections	2,500	2,500	1,870	630
Clerk	13,800	13,800	12,816	984
Board of Review	1,250	1,450	1,405	45
Assessor	25,000	25,000	22,321	2,679
Treasurer	24,000	24,000	25,243	(1,243)
Township hall & grounds	22,300	24,300	21,088	3,212
Zoning board	7,000	7,000	7,651	(651)
Public safety	27,000	27,000	30,720	(3,720)
Highway, streets & bridges	190,000	163,469	79,520	83,949
Sanitation	102,600	115,735	105,543	10,192
Drain-at-large interest	-	9,135	9,135	-
Other expenditures	42,200	51,900	51,972	(72)
TOTAL EXPENDITURES	490,250	505,389	403,686	101,703
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	62,950	58,455	109,352	50,897
OTHER FINANCING SOURCES (USES)				
Operating transfers in			-	-
Operating transfers out	(18,000)	(19,300)	(19,300)	-
Drain-at-large - principal	(51,000)	(55,340)	(54,593)	747
TOTAL OTHER FINANCING SOURCES (USES)	(69,000)	(74,640)	(73,893)	747
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(6,050)	(16,185)	35,459	51,644
FUND BALANCE - BEGINNING OF YEAR	135,439	135,439	135,439	-
FUND BALANCE - END OF YEAR	\$ 129,389	\$ 119,254	\$ 170,898	\$ 51,644

The accompanying footnotes are an integral part of the financial statements.

Additional Information

TOWNSHIP OF ALMER, TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE			
Taxes:			
Current property tax		\$ 197,652	
Delinquent tax		-	
Trailer tax		3,543	
Total taxes	<u>\$ 196,500</u>	<u>201,195</u>	<u>\$ 4,695</u>
Licenses & permits	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Intergovernmental Revenue:			
State shared revenues	<u>156,000</u>	<u>156,589</u>	<u>589</u>
Other Revenue:			
Miscellaneous		18,286	
Administrative fee received		-	
Charges for services		9,000	
Metro act revenues		4,469	
Reimbursements		203	
Fire runs		2,100	
Refuse payments		102,431	
Interest		15,515	
Total Other Revenue	<u>208,344</u>	<u>152,004</u>	<u>(56,340)</u>
Rents & Royalties	<u>2,000</u>	<u>3,250</u>	<u>1,250</u>
TOTAL REVENUE	<u>563,844</u>	<u>513,038</u>	<u>(50,806)</u>
EXPENDITURES			
Legislative:			
Salaries & wages - township board		5,566	
Auditing & legal fees		13,271	
Membership & dues		1,681	
Advertising		1,586	
Total Legislative	<u>26,300</u>	<u>22,104</u>	<u>4,196</u>
Executive:			
Salaries and wages		12,260	
Office supplies & expenses		38	
Total Executive	<u>13,800</u>	<u>12,298</u>	<u>1,502</u>

TOWNSHIP OF ALMER, TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES: (Continued)			
Clerk:			
Salaries & wages		\$ 12,260	
Office supplies & expenses		556	
Total Clerk	<u>\$ 13,800</u>	<u>12,816</u>	<u>\$ 984</u>
Board of Review:			
Salaries & wages	<u>1,450</u>	<u>1,405</u>	<u>45</u>
Assessor:			
Salaries & wages	<u>25,000</u>	<u>22,321</u>	<u>2,679</u>
Treasurer:			
Salaries & wages		16,260	
Tax processing		6,462	
Office supplies & expenses		2,521	
Total Treasurer	<u>24,000</u>	<u>25,243</u>	<u>(1,243)</u>
Total Elections	<u>2,500</u>	<u>1,870</u>	<u>630</u>
Township Hall & Grounds:			
Insurance		11,519	
Utilities		8,644	
Repairs & Maintenance		925	
Capital outlay		-	
Total Township Hall & Grounds	<u>24,300</u>	<u>21,088</u>	<u>3,212</u>
Zoning Board	<u>7,000</u>	<u>7,651</u>	<u>(651)</u>
Public Safety:			
Contracted services - fire protection	<u>27,000</u>	<u>30,720</u>	<u>(3,720)</u>
Highway, Streets & Bridges:			
Road construction and maintenance	82,469	79,520	
Transportation	<u>81,000</u>	<u>-</u>	
Total Highway, Streets & Bridges	<u>163,469</u>	<u>79,520</u>	<u>83,949</u>

TOWNSHIP OF ALMER, TUSCOLA COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES: (Continued)			
Sanitation:			
Drain-at-large - interest	\$ 9,135	\$ 9,135	-
Contracted services	106,600	105,543	\$ 1,057
Outside labor		-	-
Total Sanitation	<u>115,735</u>	<u>114,678</u>	<u>1,057</u>
Other Expenditures:			
Pension expense		7,618	
Recreation		21,328	
Trailer fees		2,710	
Miscellaneous		7,650	
Payroll Taxes		1,470	
Airport Authority		11,196	
Total Other Expenditures	<u>51,900</u>	<u>51,972</u>	<u>(72)</u>
TOTAL EXPENDITURES	<u>496,254</u>	<u>403,686</u>	<u>92,568</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>67,590</u>	<u>109,352</u>	<u>41,762</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in		-	-
Operating transfers out	(19,300)	(19,300)	-
Drain-at-large - principal	(55,340)	(54,593)	747
TOTAL OTHER FINANCING SOURCES (USES)	<u>(74,640)</u>	<u>(73,893)</u>	<u>747</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER USES	<u>(7,050)</u>	<u>35,459</u>	<u>42,509</u>
FUND BALANCE - BEGINNING OF YEAR	<u>135,439</u>	<u>135,439</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 128,389</u>	<u>\$ 170,898</u>	<u>\$ 42,509</u>

See the accompanying notes.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
CEMETERY FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2008

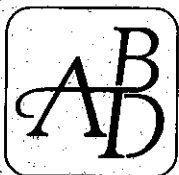
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Grave - openings	\$ 3,800	\$ 4,175	\$ 375
Sales - cemetery lots	4,300	4,725	425
Interest	50	56	6
Other	-	-	-
Miscellaneous	<u>2,100</u>	<u>479</u>	<u>(1,621)</u>
TOTAL REVENUE	<u>10,250</u>	<u>9,435</u>	<u>(815)</u>
EXPENDITURES:			
Grave - Openings	-	-	-
Contracted services	24,800	21,420	3,380
Repairs & maintenance	500	1,736	(1,236)
Utilities	200	110	90
Supplies	3,300	95	3,205
Miscellaneous	<u>-</u>	<u>1,635</u>	<u>(1,635)</u>
TOTAL EXPENDITURES	<u>28,800</u>	<u>24,996</u>	<u>3,804</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(18,550)</u>	<u>(15,561)</u>	<u>2,989</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	18,000	19,300	1,300
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES	<u>(550)</u>	<u>3,739</u>	<u>4,289</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,524</u>	<u>2,524</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,974</u>	<u>\$ 6,264</u>	<u>\$ 4,289</u>

See the accompanying notes.

TOWNSHIP OF ALMER, TUSCOLA COUNTY
CURRENT TAX COLLECTION FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED MARCH 31, 2008

	<u>BALANCE MARCH 31, 2007</u>	<u>ADDITION</u>	<u>REDUCTION</u>	<u>BALANCE MARCH 31, 2008</u>
<u>ASSETS</u>				
Cash	\$ 169,666	\$ 29,672		\$ 199,338
Taxes receivable	<u>177,897</u>	<u>2,873,567</u>	<u>\$ 2,845,373</u>	<u>206,091</u>
<u>TOTAL ASSETS</u>	<u>\$ 347,563</u>	<u>\$ 2,903,239</u>	<u>\$ 2,845,373</u>	<u>\$ 405,429</u>
 <u>LIABILITIES</u>				
Due to general fund	\$ 201,454	\$ 346,956	\$ 377,929	\$ 232,427
Due to sewer fund	151	2,112	2,103	142
Due to other governmental agencies	<u>145,958</u>	<u>2,496,305</u>	<u>2,523,207</u>	<u>172,860</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 347,563</u>	<u>\$ 2,845,373</u>	<u>\$ 2,903,239</u>	<u>\$ 405,429</u>

See the accompanying notes.



ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants

Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA
Valerie J. Hartel, CPA
Terry L. Haske, CPA
Jamie L. Peasley, CPA
Timothy Franzel

.....
Robert L. Tuckey, CPA

August 14, 2008

Members of the Board Township of Almer

In planning and performing our audit of the financial statements of the Township of Almer as of and for the year ended March 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control. During the course of the audit, we observed the following significant deficiencies:

Segregation of Duties

Due to the limited number of people, many critical duties are combined and given to the available employees. To the extent possible, duties should be segregated to serve as a check and balance and to maintain the best control system possible. We recommend the Township segregate duties whenever possible.

Financial Statements

After considering the qualifications of the accounting personnel of the Township of Almer, we believe that the personnel have the abilities to maintain the day-to-day bookkeeping of the Township, but they do not have the qualifications and abilities to generate financial statements, including the required footnotes, in accordance with accounting principles generally accepted in the United States of America.

Cash Receipts Procedures

Several people are receiving funds for the Township in addition to the Township Treasurer. These are primarily for Zoning and Cemetery functions. We recommend the pre-numbered receipts be used by everyone collecting money for the Townships. The completed receipts and the funds should be turned over to the Township no less than weekly.

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Members of the Board
August 14, 2008
Page two

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control. No such findings were discovered during the course of the audit.

Our consideration of internal control over financial reporting and internal control over compliance was for the limited purpose described above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

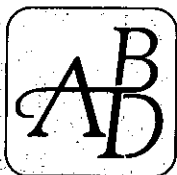
This communication is intended solely for the information and use of management and others within the governmental unit and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to be of service to the Township of Almer and look forward each year to continuing our relationship. The cooperation extended to us by your staff throughout the audit was greatly appreciated. Should you wish to discuss any item included in this letter further, we would be happy to do so.

Very truly yours,



Anderson, Tuckey, Bernhardt & Doran, P.C.
Certified Public Accountants



ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

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August 14, 2008

To the Members of the Board
Township of Almer

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Almer for the year ended March 31, 2008, and have issued our report thereon dated August 14, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 28, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 16, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Township of Almer are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Township of Almer changed its accounting policies related to full accrual financial statements by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 34, in 2008. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note 1. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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Members of the Board
August 14, 2008
Page two

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 14, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Members of the Board and management of the Township of Almer and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Anderson, Tuckey, Bernhardt & Doran, P.C.

Anderson, Tuckey, Bernhardt, & Doran, P.C.
Certified Public Accountants